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SENATE BILL NO. 406—COMMITTEE ON LEGISLATIVE  
AFFAIRS AND OPERATIONS

(ON BEHALF OF THE LEGISLATIVE COMMITTEE TO STUDY  
COMPETITION BETWEEN LOCAL GOVERNMENTS  
AND PRIVATE ENTERPRISES)

MARCH 24, 2003

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Referred to Committee on Legislative Affairs and Operations

SUMMARY—Directs Legislative Commission to consider creating document to be used by governmental agencies in determining whether to procure goods and services from public or private sources. (BDR 17-412)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to purchasing by governmental agencies; encouraging governmental agencies to procure goods and services from privately owned businesses, companies and corporations when to do so would be practicable, in the best interests of the residents of this state and not contrary to the laws of this state; directing the Legislative Commission to consider creating a document to be used by governmental agencies in determining whether to procure goods and services from public or private sources; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1     **Section 1.** Chapter 218 of NRS is hereby amended by adding  
2     thereto a new section to read as follows:  
3     ***1. The Legislature hereby finds and declares that:***



\* S B 4 0 6 \*

- 1       (a) *Each governmental agency, in exercising and performing*  
2 *its powers, duties and functions on behalf of the residents of this*  
3 *state, is encouraged to procure goods and services from privately*  
4 *owned businesses, companies and corporations to the extent that*  
5 *such private procurement:*  
6       (1) *Is practicable;*  
7       (2) *Is in the best interests of the residents of this state; and*  
8       (3) *Is not contrary to the laws of this state; and*  
9       (b) *If privately owned businesses, companies and corporations*  
10 *are unable to supply goods and services in such a manner as to*  
11 *adequately serve the needs of the residents of this state, the various*  
12 *governmental agencies shall make all reasonable efforts to*  
13 *arrange for or provide those goods and services through public,*  
14 *rather than private, channels of procurement to the extent that*  
15 *such public procurement:*  
16       (1) *Is practicable;*  
17       (2) *Is in the best interests of the residents of this state; and*  
18       (3) *Is not contrary to the laws of this state.*  
19       2. *The Legislative Commission shall consider and study the*  
20 *creation of and, as it deems advisable or necessary, create or cause*  
21 *to be created a guidebook, handbook, manual or other such*  
22 *document that may be used by governmental agencies in*  
23 *determining whether, in making purchasing decisions, the*  
24 *interests of the residents of this state would best be served by the*  
25 *governmental agency procuring goods or services from:*  
26       (a) *Privately owned businesses, companies or corporations; or*  
27       (b) *Public, rather than private, channels of procurement.*  
28       3. *If the Legislative Commission creates or causes to be*  
29 *created a guidebook, handbook, manual or other such document*  
30 *as described in subsection 2:*  
31       (a) *The guidebook, handbook, manual or other such document*  
32 *must include the statement of legislative intent set forth in*  
33 *subsection 1;*  
34       (b) *The Legislative Commission shall ensure that the*  
35 *guidebook, handbook, manual or other such document is*  
36 *disseminated to each governmental agency; and*  
37       (c) *The guidebook, handbook, manual or other such document*  
38 *may be published or otherwise made available in any format and*  
39 *in any medium the Legislative Commission deems advisable.*  
40       4. *As used in this section:*  
41       (a) *“Governmental agency” means each public agency,*  
42 *bureau, board, commission, department, division and officer of:*  
43       (1) *This state; or*  
44       (2) *A political subdivision of this state.*



1       ***(b) “Political subdivision” means a county, city, assessment***  
2       ***district and any other local government as defined in***  
3       ***NRS 354.474.***

4       **Sec. 2.** NRS 218.610 is hereby amended to read as follows:  
5       218.610 As used in NRS 218.610 to 218.735, inclusive, ***and***  
6       ***section 1 of this act,*** “agency of the State” includes all offices,  
7       departments, boards, commissions and institutions of the State.

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